



KPMG LLP  
Suite 1900  
440 Monticello Avenue  
Norfolk, VA 23510

## **Independent Accountants' Report on Applying Agreed-Upon Procedures**

The Honorable Members of City Council  
City of Norfolk, Virginia:

We have performed the procedures enumerated below, which were agreed to by the management of the City of Norfolk, Virginia (the City) and the Commonwealth of Virginia Department of Environmental Quality, solely to assist the specified parties in evaluating management's assertions contained in the Director of Finance's letter, dated December 2, 2015, *Letter from Chief Financial Officer*, which addresses the City's Compliance with the Virginia Administrative Code (9 VAC 20-70-290 G) *Financial Assurance Regulations for Solid Waste Disposal, Transfer, and Treatment Facilities*. Management is responsible for the City's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and related findings are as follows:

1. We recalculated the operating deficit for the year ended June 30, 2015 in the Director of Finance's letter for the year ended June 30, 2015 by subtracting operating expenditures, excluding the education expenditures and transfers to School Board, net, from the total revenue reported in the City's audited Comprehensive Annual Financial Report for the year ended June 30, 2015. No exceptions were noted.
2. We agreed total revenue reported for the year ended June 30, 2015 in the Director of Finance's letter for the year ended June 30, 2015 to the amount of total revenue reported in the City's audited Comprehensive Annual Financial Report for the year ended June 30, 2015. No exceptions were noted.
3. We obtained the ratings reports issued by Standard and Poor's and Moody's during the year ended June 30, 2015 related to the City's general obligation bonds outstanding as of June 30, 2015, and noted:
  - a. No ratings on the City's general obligation bonds by Standard and Poor's were below BBB.
  - b. No ratings on the City's general obligation bonds by Moody's were below Baa.
4. We agreed the sum of current closure, post-closure, and correction action costs estimates reported in the Director of Finance's letter for the year ended June 30, 2015 to the supporting calculation schedules prepared by the City's engineers for the year ended June 30, 2015. No exceptions were noted.



5. We obtained a copy of the relevant Independent Auditor's Report included with the City's audited Comprehensive Annual Financial Report for the year ended June 30, 2015 and noted the following:
  - a. The type of opinion issued was an unmodified opinion based on professional standards related to auditor's reports of the American Institute of Certified Public Accountants (AICPA).
  - b. The City's financial statements for the year ended June 30, 2015 were prepared in conformity with U.S. generally accepted accounting principles.

We were not engaged to, and did not, conduct an examination of management's assertions contained in the Director of Finance's letter dated December 2, 2015, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City of Norfolk City Council, management, and the Commonwealth of Virginia Department of Environmental Quality, and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

December 23, 2015